

# Finding Agreement

BIPARTISAN SOLUTIONS WE CAN DO NOW



Over the 18 months of the Committee's work, Democratic and Republican Members frequently disagreed over the causes and nature of economic disparity. We did agree that too many Americans are finding opportunity elusive and prosperity beyond reach.

The partisan debate, and the research and philosophical differences that underlie that debate, have been honed over many generations. As the Chairman frequently reminded the Committee, we were unlikely to meaningfully expand on the decades of academic work produced by the world's research institutions and think tanks.

We could, however, apply our hard-earned political judgment and a feel for the current political moment to offer suggestions that might be achievable in an era of divided government. Both parties will continue working to expand popular support and create the legislative pathways for their ideas, but that process must not forestall the progress that can be made today. The ideas presented below have bipartisan support in one form or another, and the Committee recommends the 118th Congress act immediately in these areas.



**REP. OCASIO-CORTEZ AND REP. DAVIDSON AT THE ROUNDTABLE ON MEASURING ECONOMIC DISPARITY**

## **Investment in Early Childhood Education**

Every one of the four million children born in the United States each year deserves access to opportunity. This means a good home, good health, nutrition, care, and the intellectual and social stimulation so critical for child development.

Early childhood education has a transformative impact, as studies repeatedly show a significant return on investment and other long-term benefits both for individuals and the economy at large. That is why there is broad support among business, educators, and the American people for expanding access to early education, and why states like Oklahoma and Vermont have introduced universal pre-K programs. A group of Republican Senators has called for increased funding to support the public child care system and families in need of child care assistance.<sup>1</sup>

While the Committee urges Congress to take action to expand early education, the Committee also urges states to act now to expand access and enrollment for early childhood education programs, including universal pre-K.

## **Increasing the Child Tax Credit**

There is bipartisan recognition that every child should have good and fair opportunities to thrive. That is why most Democrats and some Republicans support the Child Tax Credit and other legislation to direct additional resources to low-income families with children. These include the proposed Family Security Act, introduced by Sens. Mitt Romney (R-UT), Richard Burr (R-NC), and Steve Daines (R-MT), and the Advancing Support for Working Families Act, co-sponsored by Sens. Bill Cassidy (R-LA) and Kyrsten Sinema (D-AZ).



The Committee believes such legislation does not sufficiently help children and parents in low-income families overcome barriers to upward mobility and success. However, the bipartisan interest demonstrates that Congress can work together to enhance opportunities for our nation's children and families.

## **Lifelong Learning**

The Committee agrees on the challenges facing adult workers in today's rapidly evolving economy. The U.S. needs more flexible, affordable, and accessible education and learning opportunities. The Committee agrees on the need for reauthorization of the Workforce Innovation and Opportunity Act to address administrative and regulatory barriers that inhibit the success of a workforce development system and support apprenticeship expansions for non-traditional occupations.

The Committee also finds bipartisan support for expanding Pell Grant eligibility to students enrolled or seeking enrollment in short-term technical training programs — at community colleges or other technical training schools — and reducing the 600-clock hour length requirement to allow students in programs of less length to be eligible for Pell Grants.

## **Expanding Access to Paid Family and Medical Leave**

As a country that believes in the importance of strong families, we know how precious and critical it is for parents to be with a newborn baby or young child, and for family members to care for a sick or elderly relative. This caregiving often conflicts with responsibilities on the job, forcing many Americans to choose between family and work. While those who are more affluent are better equipped to handle both, for low- and moderate-income Americans, the choice may jeopardize the safety and health of a relative or endanger income or employment.

The Committee agrees that working Americans with young children or family caregiving responsibilities need time off for these purposes. Republican and Democrats both supported expanding 12 paid weeks of leave to nearly all civilian and military federal employees through the passage of the National Defense Authorization Act for Fiscal Year 2020 (S.1790 and Public Law 116-92). Similarly, the bipartisan Strong Families Act provides a tax credit to employers that offer employees paid leave.

While the Committee Majority is committed to the principle that every worker should have access to 12 weeks of paid family and medical leave, the Committee believes that bipartisan action to expand access to paid leave is possible in the 118th Congress.

## **Small Businesses**

The Committee believes that small businesses and entrepreneurs face obstacles to reaching their full competitive and economic potential.

The Committee supports increasing the provision of technical assistance for small businesses to improve competitiveness. The bipartisan SCORE for Small Business Act (H.R. 6450), sponsored by Representatives Young Kim (R-CA) and Angie Craig (D-MN), would reauthorize the Service Corps of Retired Executives (SCORE) program under the oversight of the Small Business Administration. The SCORE program would enable volunteers participating in the program to provide free personalized business expertise and facilitate educational workshops for small businesses. The bill's emphasis on recruiting diverse volunteers and providing services in rural and underserved communities will support those who need it most.

## **Occupational Licensing Reform**

The Committee believes variations in state licensing laws are an obstacle for active duty servicemembers, veterans, and military spouses, who may be unable to work where they are stationed due to local regulations. The Committee recommends the bipartisan Military Spouse Licensing Relief Act of 2021 (H.R. 2650 and S.1084), sponsored by Rep. Mike Garcia (R-CA) and Sen. Mike Lee (R-UT), to allow the portability of professional licenses of servicemembers and their spouses who are relocated outside of the jurisdiction issuing the license.

The Committee believes states should consider occupational licensing reform as a pathway to alleviate acute labor shortages in certain occupations. Bipartisan support exists at the state level, evidenced by Arizona's 2019 enactment of reciprocity of occupational licensing with all out-of-state occupational and professional licenses.

## **Housing**

A safe and stable home is fundamental to economic opportunity. Affordable housing can make a vital difference in securing the American Dream. The costs to build, buy, or rent a home are far too high. The housing supply imbalance of millions of housing units is threatening the nation's economic growth and denying opportunity to aspiring Americans.

The Committee believes Congress can take steps to encourage localities to reduce restrictive zoning and prioritize housing affordability. The Committee supports the bipartisan Yes In My Back Yard (YIMBY) Act (H.R. 3198), sponsored by Reps. Derek Kilmer (D-WA) and Trey Hollingsworth (R-IN) and Sens. Brian Schatz (D-HI) and Todd Young (R-IN), requiring Community Development Block Grant program recipients to report on their local zoning, so that localities are encouraged to remove barriers to the production of new housing units. The Committee further encourages states and local governments to proactively take more steps to embrace inclusive zoning measures and reduce restrictive zoning measures to increase affordable housing.





The Committee also recommends increasing the total amount of federal Low Income Housing Tax Credits (LIHTC) offered by the federal government and simplifying their use. The full Committee supports passage of the bipartisan Affordable Housing Credit Improvement Act (H.R. 2573 and S. 1136), sponsored by Reps. Suzan DelBene (D-WA), Donald Beyer (D-VA), the late Jackie Walorski (R-IN) and Brad Wenstrup (R-OH) and Sens. Maria Cantwell (D-WA), Todd Young (R-IN), Rob Portman (R-OH) and Ron Wyden (D-OR). It would increase Low Income Housing Tax Credit allocations by 50% over current levels and make the tax credit more responsive to local needs. The bill would support the production of 1.5 million new affordable housing units over the next decade.

## **Support for Local Economic and Community Development Efforts**

One of the many divides in contemporary America is between communities and neighborhoods brimming with opportunity and those mired in decline.

There is bipartisan agreement that geographical disparities hurt the American people and economy. States, localities, and the private sector need the financial and technical support of the federal government to rehabilitate and revitalize these communities. Congressional proposals to increase targeted regional investments have found bipartisan support.

The Rebuilding Economies and Creating Opportunities for More People Everywhere to Excel Act (RECOMPETE) Act led by Rep. Derek Kilmer (D-WA), includes block grants to provide direct, long-term assistance to distressed labor markets, helping them to avoid navigating the maze of different federal grant programs. A pilot version of the program passed into law as part of the bipartisan CHIPS Act in August 2022.

The Restoring Communities Left Behind Act (H.R.816), introduced by Rep. Marcy Kaptur (D-OH), has bipartisan support and “directs the Department of Housing and Urban Development to establish a grant program for local partnerships to carry out neighborhood revitalization support activities in economically distressed areas.”

The Committee recommends Congress act to deliver more targeted resources to support local economic development.

## **Addressing Administrative Burdens**

The Committee finds that it is often complicated and time consuming for people to access economic security programs for which they are eligible. Since individuals with the least resources often face the biggest barriers to accessing benefits, administrative burden can widen economic disparity.

Members of Congress have expressed bipartisan support for a whole-of-government approach to make it easier for people to access government benefits and services, and the White House has issued an executive order with similar goals

The Committee recommends additional policies to make it easier for people to access benefits administered at the state level, including additional funding for states to modernize technology and simplify application processes. Additionally, the Committee recommends revising certain eligibility and certification requirements that make it difficult for people to access benefits they need. For instance, the bipartisan Modern WIC Act, introduced by Sens. Kirsten Gillibrand (D-NY) and Roger Marshall (R-KS), would permanently revise in-person application requirements for WIC by allowing remote certifications begun during COVID-19.

## **Limiting Non-Compete Agreements**

Noncompete agreements, which bar employees from switching to a similar position with a competing firm, may make sense for workers with proprietary knowledge, but they are harmful to fast-food, retail, and other low-wage workers. The Minneapolis Federal Reserve found that “more than one in 10 lower-wage workers have non-compete contracts.” The Committee finds bipartisan support to limit the use of non-compete agreements in the Workforce Mobility Act (S.483 and H.R. 1367), sponsored by Reps. Scott Peters (D-CA), Mike Gallagher (R-WI), Anna Eshoo (D-CA) and Peter Meijer (R-MI) and Sens. Chris Murphy (D-CT), Todd Young (R-IN), Tim Kaine (D-VA) and Kevin Cramer (R-ND). This legislation would prohibit companies from entering, enforcing or threatening to enforce most non-compete agreements.

## **Supporting Free School Meals**

Although adequate nutrition is essential for students to learn and succeed at school, one in eight children faced hunger in 2021 and many more do not get the healthy meals they need.<sup>2</sup> These disparities add to other social and economic inequalities that threaten the well-being of low- and moderate-income children. The free and reduced-price school lunch and breakfast programs help millions of children, but millions more fall through the cracks for reasons ranging from eligibility, food shortages, and school buses that arrive too late for breakfast.

During the pandemic, when the number of hungry children at risk of starvation rose, Congress and the Administration recognized the need to keep children fed by providing regulatory waivers. Bipartisan support for expanding access to free school meals is evident by the introduction of Rep. Abigail Spanberger’s (D-VA) Keeping School Meals Flexible Act (H.R.6613) — cosponsored by several Republican Members — to grant the Department of Agriculture the authority to establish, grant, or extend child nutrition waivers.

At the state level, action by Republican and Democratic governors like Charlie Baker (R-MA), Phil Scott (R-VT), Tom Wolf (D-PA), and Steve Beshear (D-KY) has expanded access to free school meals for public school children. In the absence of federal action, the Committee recommends other states and localities follow their lead.



## **Employee Stock Ownership**

Americans should have more tools to accumulate wealth. The Committee believes more workers should have a stake in business profits through Employee Stock Ownership Plans (ESOPs).

The bipartisan Securing a Strong Retirement Act (H.R.2954) — sponsored by Ways and Means Committee Chairman Richard Neal (D-MA) and Ranking Member Kevin Brady (R-TX) — includes provisions to create a tax deferral on contributions to an ESOP by owners of S Corporations and clarify rules for ESOP eligibility.

## **Measuring Economic Well-Being and Disparity**

Members of the Committee are concerned that statistical measures produced by government sources do not provide the necessary information to make timely and accurate policy decisions. Advancements in technology offer opportunities to more easily and frequently collect data, including leveraging methods and data collection by the private sector. Computing power and statistical methods now exist to process larger data sets and identify smaller trends in shorter periods of time. Policy makers should have access to this real-time, more granular data. Agencies should receive adequate funding to produce better statistics and data.